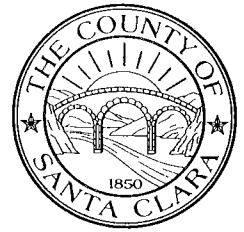


County of Santa Clara

Roads and Airports Department

Airport Division
2500 Cunningham Avenue
San Jose, California 95148
(408) 929-1060 FAX 929-8617



Reid-Hillview Airport Palo Alto Airport South County Airport

October 9, 1996

Mr. John Pfeifer, Manager
Airports District Office
Federal Aviation Administration
831 Mitten Road
Burlingame, CA 94010-1303

Subject: Reid-Hillview Airport
AIP 3-06-0225-02

Dear Mr. Pfeifer:

On behalf of Santa Clara County, I am respectfully requesting an amendment to the subject grant agreement to increase the amount of federal funds. It is our understanding that, due to the age of this grant, the maximum increase is limited to 10%. If this is the case, we request that the grant be increased by \$90,000 to reflect the federal share of the final project cost.

Based upon the billings through the end of September, it appears that the project will run approximately 20% over budget. We have received construction claims of approximately \$1 million; engineering fees at approximately \$150,000; and County material testing/administration at \$50,000. We therefore anticipate that the final project price will be around \$1.2 million and expect that the County will make up the difference between the final costs and the FAA grant amount plus 10%.

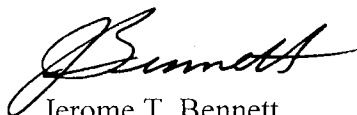
As you may recall, this project was taken to bid with an extremely tight construction budget. The construction contract was awarded to O.C. Jones at an amount slightly above the budget in hopes that savings could be realized during construction. In reality, the cost of construction increased dramatically due to extremely soft/wet subgrade material. The engineer had anticipated this and the specifications called for very economical in-place drying techniques which were so time-consuming, it was necessary to proceed with a more expensive solution. Therefore, the contractor was directed to use a combination of lime treatment, fabric, and deep AC plugs to stabilize the effected areas. These measures added over \$100,000 to the cost of construction.

The project is essentially complete and we have scheduled an FAA inspection on October 9, 1996. We plan to present a final change order to the Board of Supervisors in early November. The Contractor will complete his work after the change order is approved and we will file the Notice of Completion as soon as practical. Our engineers will submit the final construction report and record drawings in early December. The final pay request will be submitted to the FAA 35 days after the Notice of Completion has been filed.

Since the County has substantially exceeded its original budget for this project, we would appreciate it if you could expedite processing this \$90,000 grant amendment request. We very much appreciate the assistance FAA has given us in making this project possible and hope that this grant amendment can be offered in the very near future.

Should you have any questions on this matter, please do not hesitate to contact me.

Sincerely,



Jerome T. Bennett
Director of County Airports

rhvamen/s

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Contract No. DTFA08-84-C-30098
Reid-Hillview Airport of
Santa Clara County

AMENDMENT NO. 1 TO GRANT AGREEMENT FOR PROJECT NO. 3-06-0225-02

WHEREAS, the Federal Aviation Administration, (herein after referred to as the "FAA"), acting for and on behalf of the United States, and the County of Santa Clara, (hereinafter referred to as the "Sponsor"), on the 6th day of July, 1984, entered into a Grant Agreement related to the above numbered project, and;

WHEREAS, it is determined to be in the best interests of the Sponsor and the FAA to amend the description of the airport development on page 1 of the Grant Agreement to delete expanding the aircraft tiedown apron (approx. 43,000SY) and to add pavement rehabilitation on hangar taxilanes and aprons (approx. 500,000SF) with no change in the maximum obligation of the United States;

NOW THEREFORE, in consideration of the benefits to accrue to the parties hereto, the FAA, acting for and on behalf of the United States of America, on the one part, and the Sponsor, on the other part, do hereby mutually agree that said Grant Agreement be and is hereby amended in the following particulars but in no other:

1. The airport development described on Page 1 of the Grant Agreement is hereby deleted and substituted in lieu thereof the following:

Pavement rehabilitation on hangar taxilanes and aprons (approx. 500,000SF), including drainage improvement, tiedown anchor adjustments and marking.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to said Grant Agreement to be duly executed as of the 6th day of October, 19 95.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION
WESTERN PACIFIC REGION

By: John L. Pfeifer
John L. Pfeifer

Title: Manager, Airports District Office

County of Santa Clara
(Name of Sponsor)

By: Michael Honda
MICHAEL M. HONDA

Title: Chairperson, Board of Supervisors

(SEAL)

Ann Sloan
Deputy Clerk
of the Board
of Supervisors

Attest: Ann Sloan

Title: _____

CERTIFICATE OF SPONSOR'S ATTORNEY:

I, William I. Anderson, acting as Attorney for the County of Santa Clara, (hereinafter referred to as "Sponsor") do hereby certify:

That I have examined the foregoing Amendment to Grant Agreement and the proceedings taken by said Sponsor relating thereto, and find that the execution thereof by said Sponsor has been duly authorized and is in all respects due and proper and in accordance with the laws of the State of California, and further that, in my opinion, said Amendment to Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at San Jose, this 6th day of October, 19 95.

By: [Signature]

Title: Chief Deputy County Counsel